

: SUPERIOR COURT

JUDICIAL DISTRICT OF
LITCHFIELD

AT LITCHFIELD

: APRIL 6, 2016

AFFIDAVIT OF ROBERT T. CROVO

I, Robert T. Crovo ("Crovo"), being duly sworn, hereby depose and say

1. I am the Defendant in this action, and am familiar with the underlying factual allegations concerning the Complaint filed by the Plaintiff, the City of Torrington (the "City" or "Torrington") and as stated herein.

2. I am over the age of eighteen years, believe in the obligations of an oath or affirmation, and make this statement upon both my personal knowledge and records made and kept in the ordinary course of my business by employees with knowledge thereof and responsibility to do so.

3. I submit this Affidavit in support of the Motion to Dismiss and Memorandum of Law in Support of the Motion to Dismiss (the "Memo. of Law").

4. Torrington has maintained a private tax collection system since at least the late 1800's, and the Connecticut Legislature passed a special legislative enactment authorizing Torrington's use of a private tax collector in the 1920's.

5. Torrington is the only municipality in the State of Connecticut that appoints a private citizen to act as the tax collector. Torrington requests bids from private citizens to serve as tax collector, the Board of Finance and the Board of Councilmen appoint the tax collector, and then the City negotiates a contract to delineate both the tax collector's responsibilities as well as those of the City.

6. The private tax collector guarantees the collection of 100% of the taxes in the year that they are due. After the City issues assessments of property (both personal and real) and establishes the tax rate, the tax collector receives payments of taxes and makes daily deposits of the payments he collects to the City's Treasurer. On the first Monday of May and November, the private tax collector pays in a lump sum any balance of payments due for taxes that remain uncollected, ensuring that the City receives 100% of its taxes in the calendar year. The tax collector continues to collect the outstanding taxes, as well as interest and fees due thereon, and is entitled to keep those funds because the tax collector already paid the taxes in full.

7. The tax collector makes a commission on the total amount of taxes collected and is entitled to the interest and fees on delinquent taxes, the interest on prepayments of taxes, as well as any overpayments of taxes that are not refunded during the three-year statutory period for refunds.

8. Prior tax collectors for the City retained unclaimed overpayments and the City was aware of and assented to this course of conduct.

9. On or about March 8, 1999, the Board of Councilman and the Board of Finance appointed Crovo as the Tax Collector.

10. The City and Crovo entered into a four-year contract commencing May 17, 1999 and terminating on May 12, 2003 (the "1999 Agreement").

11. The City and Crovo amended the 1999 Agreement on July 31, 2001, whereby Crovo was reappointed for the four-year period from May 13, 2003 to May 12, 2007, and again for the period commencing May 13, 2007 and terminating May 12, 2011 (the "2001 Amendment").

12. Throughout this time period, Crovo (like his predecessors) retained a commission on the total taxes assessed, interest, penalties, as well as unclaimed overpayments. Further, the City was aware that Crovo retained overpayments when taxpayers did not timely apply for a refund.

13. In the second half of 2010, the City issued a request for qualification (RFQ#TTC-011-122010, the "RFQ") seeking bids from parties interested in the position of tax collector for the 2011-2015 term, attaching a proposed contract to the RFQ. A true and correct copy of the RFQ is attached to the Memo. of Law as Exhibit C.

14. Crovo submitted a bid for the 2011-2015 term. This bid commission rate was based, in part, on his ability to retain unclaimed refunds of overpayments based on the historical rate of refunds that Crovo provided upon the timely receipt of applications for said refunds.

15. On March 9, 2011, the Board of Councilmen and the Board of Finance unanimously voted to authorize Mayor Ryan Bingham to engage in contract negotiations with Crovo, which occurred over the following few months.

16. On June 9, 2011, the Board of Councilmen and the Board of Finance voted unanimously to appoint Crovo as tax collector. At the June 9, 2011 special joint meeting, Mayor Bingham pointed out that the prior contract with Crovo only contained a few items, such as Crovo providing Torrington with 100% of taxes owed and that the commission rate was 0.0025.

17. Mayor Bingham stated at the special joint meeting that the commission rate was cut in half to 0.00125 for the 2011-2015 term. He also mentioned that there needed to be more detail in the contract and that the parties negotiated to add the

requirement for Crovo's publication of refunds of overpayments on the Tax Collector's website.

18. The City and Crovo entered into the contract for the 2011-2015 period on June 16, 2011 (the "2011 Agreement"). A true and correct copy of the 2011 Agreement is attached to the Memo. of Law as Exhibit A.

19. During the negotiations between the City and Crovo, the parties negotiated the refunds of overpayments.

20. One of the requirements outlined in the RFQ was that the tax collector would be required to "[r]efund all overpayments inclusive of certificates of correction reductions of tax, issued by the Office of the Assessor, within three years of payment." See RFQ ¶5, Exhibit C. The draft contract attached to the RFQ contained similar language, requiring the tax collector to refund all overpayments "regardless of whether refund was requested by the taxpayer." Crovo rejected this proposed provision, which was not incorporated into the 2011 Agreement.

21. After a period of negotiations, the parties ultimately agreed that Crovo would continue to retain unclaimed overpayments and that only Crovo would provide notice to taxpayers entitled to a refund, and he would do so by publishing a list of those taxpayers on his website three months prior to the deadline. Section 1.6 of the 2011 Agreement provides, in part, as follows:

ROBERT CROVO TAX COLLECTOR shall publish on its website a list of all excess payments potentially due a refund for a grand year list three (3) months prior to the deadline for filing an application for refund.

Exhibit A, §1.6. The negotiations between the City and Crovo on the overpayment issue reflected an economic expectation that the Crovo's ability to retain unclaimed

excess tax payments permits, in part, his ability to operate on the lowest commission basis in the history of Torrington, thereby saving the City money. The City was aware of this expectation during the negotiations and agreed to this expectation by entering into the 2011 Agreement.

22. Following the expiration of Crovo's term as private tax collector, Crovo is still authorized to collect delinquent tax accounts for the Grand Lists for which he was tax collector, including up to the 2013 Grand List.

23. In addition, Crovo is still responsible for reviewing applications for refunds of overpayments for those years and making payments thereon. In fact, the City and current tax collector forward said applications to Crovo to review and process payment if approved.

24. On or about June 17, 2013, the City's Corporation Counsel issued a letter to Crovo declaring him to be in default of the terms of the contract by not returning unclaimed overpayments to the City. A true and accurate copy of the letter is attached to the Memo. of Law as Exhibit D.

25. Crovo paid the City all amounts of taxes owed for the Grand Lists in which he was the private tax collector for Torrington. Pursuant to a letter dated May 21, 2015 from Mayor Elinor Carbone, the City acknowledges this fact and released the surety bond that Crovo was obligated to provide as a condition precedent to becoming the tax collector. A true and accurate copy of the letter is attached to the Memo. of Law as Exhibit E.

26. A true and accurate copy of the contract between the City and the current tax collector is attached to the Memo. of Law as Exhibit B.

27. A true and accurate copy of the Letter dated July 10, 2015 from current tax collector Launa Goslee is attached to the Memo. of Law as Exhibit F.

28. The foregoing statements are true and correct to the best of my knowledge, information, and belief.

Robert T. Grovo
Robert T. Grovo

Florida
STATE OF ~~CONNECTICUT~~ :
COUNTY OF ~~LITCHFIELD~~ : SS: ~~Torrington~~
Collier :

Subscribed to and sworn to before me this 5th day of April 2016.

Emelia Mary Pacha
Notary Public Emelia Mary Pacha
~~Commissioner of the Superior Court~~

